

ASSET PURCHASE AGREEMENT

This **ASSET PURCHASE AGREEMENT** (this "Agreement") entered into this 3rd day of November 2023 ("Effective Date"), by and between **SOUTHWEST BROADCASTING, LLC**, an Arizona Limited Liability Company ("Buyer") and **LAKE POWELL COMMUNICATIONS, INC.**, an Arizona Corporation ("Seller") (each a "Party" and collectively, the "Parties").

RECITALS

WHEREAS, Seller holds the licenses for the broadcast station's KXAZ, Page, Arizona (Facility ID# 36340) KPGE, Page, Arizona (Facility ID# 36349) K252FG, Page, Arizona (Facility ID# 141431) and K261BX, Page, Arizona (Facility ID# 40853) (the "Station's").

WHEREAS, pursuant to the terms and subject to the conditions set forth in this Agreement, Buyer desires to acquire the Licenses and Seller desires to sell, assign and transfer the same to Buyer; and

WHEREAS, broadcast authorizations may not be assigned without the prior consent of the Federal Communications Commission.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the Parties, intending to be legally bound agree as follows:

1. **Assets to be Acquired.** Without limitation, the Acquired Assets shall include:
 - a. All FCC Construction Permits, Licenses, and applications of Seller which pertain to the Station's as set forth on Exhibit 1 attached hereto. Seller is assigning the such FCC Authorizations to Buyer "as is" without any representation or warranty as to their suitability, usability or non-interference with other broadcast facilities, or any warranty as to the future performance or reliability of the Stations.
 - b. The Acquired Assets shall be free and clear of any debts, liens, claims or encumbrances of any kind or nature, except for any obligations or liabilities of the Seller that Buyer may expressly agree in writing to assume.
 - c. Buyer expressly does not, and shall not, assume or be deemed to assume, under this Agreement or otherwise by reason of the transactions contemplated hereby, any liability, obligation, commitment, undertaking, expense or agreement of Seller not expressly described herein, and which liability, obligation, commitment, undertaking, expense or agreement shall remain the obligation of Seller.

d. Any broadcast equipment assets acquired by Buyer from Seller shall be in "where is, as is" condition without any further warranty.

2. **Purchase Price and Payment:** The Purchase Price to be paid for the Acquired Assets shall be One Hundred and Fifty Thousand Dollars (\$150,000.00) as follows:

a. Concurrently with the execution and delivery of this Agreement, Buyer shall deposit with Seller, Ten Thousand Dollars (\$10,000.00) (the "Deposit") as a deposit on the amount of the Purchase Price. At the Closing: Buyer shall pay to Seller, in immediately available funds, Fifty Thousand Dollars (\$50,000.00).

b. On the Closing Date, Buyer shall deliver to Seller a Secured Promissory Note (the "Note") in a principal amount of Ninety Thousand Dollars (\$90,000.00), substantially in the form of Exhibit 2 attached hereto and incorporated herein.

c. The Note shall be secured by the terms of a Security Agreement, substantially in the form of Exhibit 3 attached hereto.

3. **Excluded Assets.** The Excluded Assets shall consist of cash on hand and cash equivalents, prepaid deposits, and Accounts Receivable.

4. **Assignment Application.** At a date not later than ten (10) business days after the Effective Date, Buyer and Seller shall execute, file and diligently prosecute an application with the FCC (the "Assignment Application") requesting the FCC's consent to the assignment, from Seller to Buyer, of the FCC Licenses. The written consent to the Assignment Application by initial order or other action of the FCC is referred to herein as the "FCC Consent." Buyer and Seller shall take all reasonable steps to cooperate with each other and with the FCC to secure such FCC Consent without delay, and to promptly consummate this Agreement in full, provided, however, that neither Seller nor Buyer will be required to participate in a trial-type hearing before the FCC or a judicial appeal from any adverse FCC action. Buyer shall be responsible for payment of the FCC filing fees associated with the Assignment Application.

5. **Closing.** Except as otherwise mutually agreed upon by Seller and Buyer, the consummation of the transactions contemplated herein (the "Closing") shall take place within ten (10) business days after the FCC has issued the FCC Consent, and further subject to satisfaction or waiver of the conditions to closing set forth in Sections 15 and 16, as applicable. The day on which the Closing takes place is herein referred to as the "Closing Date."

6. **Representations and Warranties of Seller.** Seller represents and warrants to Buyer that:

a. **Organization and Standing.** Seller is now and on the Closing Date shall be a Corporation, validly existing, and in good standing under the laws of the State of Arizona and licensed to do business in the State of Arizona.

b. **Authorization.** All necessary actions to approve the execution, delivery, and performance of this Agreement and the consummation of the transaction represented herein has
KXAZ-FM & KPGE-AM Purchase Agreement 2
Southwest Broadcasting LLC / Lake Powell
Communications Inc.

been taken by Seller, and this Agreement constitutes a valid and binding agreement of Seller enforceable in accordance with its terms.

c. Absence of Restrictions. Other than the FCC Consent (defined below), no unwaived contract, agreement, or other instrument or condition exists or on the Closing Date will exist which restricts, limits, or in any manner affects any aspect of this Agreement or the transaction contemplated hereby. The execution, delivery, and performance of this Agreement and the transaction contemplated hereby by Seller do not, and will not at Closing Date, conflict with or result in the termination or breach of any terms, condition, or provisions of, or constitute a default under any contract, lease, agreement, or other instrument or condition by which Seller is bound.

d. FCC Actions. Seller has received no notice and has no knowledge of any pending, issued, or outstanding order by or before the FCC, or threatened, any investigation, Order to Show Cause, Notice of Violation, Notice of Apparent Liability, Notice of Forfeiture, or material complaint against the FCC Licenses or Seller. In the event of the occurrence of any such action, or the filing or issuance of any such order, notice, or material complaint, or Seller's learning of the threat thereof, Seller shall notify Buyer of same in writing within five (5) business days of such event and shall take all reasonable measures to contest in good faith or seek removal or rescission of such action, order, notice, or complaint.

e. Litigation. Seller is not subject to any judgment, award, order, writ, injunction, arbitration decision or decree with respect to or affecting the Station's. There is no third-party claim, litigation, proceeding or investigation pending or, to Seller's knowledge, threatened against Seller with respect to the Station's in any federal, state or local court, or before any administrative agency, arbitrator or other tribunal authorized to resolve disputes.

f. Representations. The representations and warranties of Seller contained in this Agreement are the only representations and warranties made by Seller connection with the transactions contemplated by this Agreement and supersede any and all previous written or oral statements made by Seller. There are no representations, warranties, covenants, understandings or agreements of Seller regarding Seller or its business or the Station's other than those expressly set forth in this Agreement.

g. No Other Agreements to Sell the Station's; No Undisclosed Liabilities. Seller has no legal obligation, absolute or contingent, to any other person or firm to sell, assign, or transfer the FCC Licenses or to enter into any agreement with respect thereto. To the knowledge of Seller, there are no liabilities or obligations of Seller with respect to the Station's that will be binding upon Buyer after the Closing Date.

7. Representations and Warranties of Buyer. Buyer represents and warrants to Seller that:

a. Organization and Standing. Buyer is now and upon the Closing Date shall be a Limited Liability Company duly organized, validly existing, and in good standing under the laws of the State of Arizona and upon Closing shall be licensed to do business in the State of Arizona.

b. Authorization. All necessary action to approve the execution, delivery, and performance of this Agreement and the consummation of the transaction represented herein has been taken by Buyer, and this Agreement constitutes a valid and binding agreement of Buyer enforceable in accordance with its terms.

c. Absence of Restrictions. Other than the FCC Consent, no un-waived contract, agreement, or other instrument or condition exists or on the Closing Date will exist which restricts, limits, or in any manner affects any aspect of this Agreement or the transaction contemplated hereby. The execution, delivery, and performance of this Agreement and the transaction contemplated hereby by Buyer do not, and will not at Closing Date, conflict with or result in the termination or breach of any terms, condition, or provisions of, or constitute a default under any contract, lease, agreement, or other instrument or condition by which Buyer is bound.

d. Buyer's Qualifications. Buyer knows of no reason, circumstance, or condition existing, or reasonably to be anticipated, which would result in a finding by the FCC that it is not qualified legally, financially, or otherwise to be the licensee of the Station's, and Buyer will not take any action to permit any condition to exist which would disqualify Buyer from becoming such a licensee.

8. Covenants.

a. Operations.

i. Before the Closing Date, Seller shall not, without the prior written consent of Buyer, which shall not be unreasonably withheld or conditioned:

1. Make or attempt to make any change in the FCC Licenses, other than to keep the FCC Licenses in full force and effect;

2. Enter into any contract, lease or commitment relating to the Station's or the Station's Assets or incur any other obligation with respect to the Station's or the Station's Assets;

3. Take any action that would make the consummation of this transaction contrary to the Communications Laws or require a waiver of the Communications Laws; or

4. Authorize or permit any officer, director or employee of Seller, or any investment banker, attorney, accountant or other advisor or representative retained by Seller to, solicit, initiate, encourage (including by way of furnishing information), endorse or enter into any agreement with respect to, or take any other action to facilitate, any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any proposal to purchase, directly or indirectly, the FCC Licenses.

ii. Before the Closing Date, Seller shall maintain and preserve Seller's rights under the FCC Licenses in all material respects in accordance with the Communications Laws and with all other applicable laws, regulations, rules and orders and good engineering practices.

9. Termination.

a. The Parties agree that the FCC Licenses to be transferred hereunder is unique and not readily available on the open market, therefore:

i. In the event of a material breach by Buyer of any term or condition of this Agreement or any representation or warranty contained herein which would render Buyer unable to perform its obligations under this Agreement, and the continuance of said breach without cure for a period of twenty (20) calendar days following written notice by Seller to Buyer (a "Buyer Breach"), Seller may in its discretion terminate this Agreement without cost, penalty, or liability of any kind upon written notice to Buyer and the Deposit shall be forfeited to Seller as liquidated damages.

ii. In the event of a material breach by Seller prior to the Closing Date of any term or condition of this Agreement or any representation or warranty contained herein, and the continuance of said breach without cure for a period of twenty (20) calendar days following written notice by Buyer to Seller (a "Seller Breach"), Buyer may in its discretion terminate this Agreement without cost, penalty, or liability of any kind upon written notice to Seller.

iii. The Parties may terminate this Agreement by mutual written consent;

iv. If a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and such order, decree, ruling or other action shall have become final and nonappealable, either Buyer or Seller may terminate this Agreement;

v. If the FCC denies the Assignment Application or the Assignment Application is designated for a hearing, provided that the failure to obtain the FCC Consent shall not have been due to the action or inaction of the Party seeking to exercise such termination right, either Buyer or Seller may terminate this Agreement; and

vi. If the Closing has not occurred by the date that is twelve (12) months from the date hereof, either Buyer or Seller may terminate this Agreement, provided the Party seeking termination is not then in material default under this Agreement.

b. Specific Performance as Remedy for Seller's Breach. Because Seller acknowledges and agrees that the FCC Licenses are a unique asset not readily available on the open market, and in the event of a Seller Breach, Seller acknowledges that money damages alone cannot adequately compensate Buyer for its injury. Therefore, if this Agreement is terminated due to a Seller Breach, Buyer shall be entitled to the remedy of specific performance in addition to any other remedies that Buyer may have at law or at equity.

c. **Effect of Termination.** In the event this Agreement is terminated by Seller pursuant to **Section 9(a)(i)**, Seller's sole and exclusive remedy will be to retain the Deposit and all accrued interest earned on the Deposit as liquidated damages. The parties acknowledge that such amount is a fair approximation of the damages that may be incurred by Seller in such event and that the payment of the Deposit to Seller in such event is not a penalty. In so agreeing, Buyer and Seller recognize the difficulty of accurately estimating the actual harm caused by Buyer's breach, and agree that Seller's rights to the Deposit is reasonable and the result of a genuine and good-faith pre-estimation of injury in lieu of a material uncured Buyer Breach.

10. Indemnification by Seller. Seller agrees that it shall indemnify and hold Buyer harmless from and against (a) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees and disbursements suffered, directly or indirectly, by Buyer by reason of, or arising out of any breach of representation or warranty made by Seller pursuant to this Agreement, (b) any failure by Seller to perform or fulfill any of its covenants or agreements set forth in this Agreement, or (c) any litigation, proceeding or claim by any third party relating to the operations of the Station's prior to the Closing Date.

11. Indemnification by Buyer. Buyer agrees that it shall indemnify and hold Seller harmless from and against (a) any and all damages, claims, losses, expenses, costs, obligations, and liabilities including, without limiting the generality of the foregoing, liabilities for reasonable attorneys' fees and disbursements suffered, directly or indirectly, by Seller by reason of, or arising out of any breach of representation or warranty made by Buyer pursuant to this Agreement, (b) any failure by Buyer to perform or fulfill any of its covenants or agreements set forth in this Agreement, or (c) any litigation, proceeding or claim by any third party relating to the operation of the Station's after the Closing Date.

12. Joint Indemnification by the Parties. This Agreement has been negotiated in good faith and prepared jointly by Seller and Buyer. Each Party has had the opportunity to obtain the advice of counsel with respect to the drafting and implementation of this Agreement or has chosen not to do so. No provision herein shall be construed against either Party on the grounds that it was drafted by that Party.

13. Seller's Performance at Closing. On the Closing Date, Seller shall execute and deliver or cause to be delivered to Buyer, in form and substance reasonably satisfactory to Buyer:

- a. An Assignment and Assumption Agreement, assigning to Buyer the FCC Licenses;
- b. A certificate of Seller stating:
 - i. That all representations, warranties, and covenants of Seller set forth in this Agreement and in the other instruments delivered by Seller are true and correct as of the Closing Date; and

ii. Seller has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Seller at or prior to the Closing Date;

c. The Promissory Note and Security Agreement (which shall be subject to prior FCC review as exhibits to the Assignment Application and be in a form and substance solely satisfactory to Seller since these are considered loan documents);

d. Such other assignments, bills of sale, or instruments of conveyance, certificates of officers, and other documents as may reasonably be requested by Buyer to consummate this Agreement and the transaction contemplated hereby.

e. Lien releases (other than with respect to Permitted Liens, if required);

f. updated Schedules to the Agreement reflecting any changes necessary to render the certification contained in such certificate true and accurate on the Closing Date; and

14. Buyer's Performance at Closing. On the Closing Date, Buyer shall execute and deliver or cause to be delivered to Seller, in form and substance reasonably satisfactory to Seller:

a. An Assignment and Assumption Agreement, assigning to Buyer the FCC Licenses;

b. A certificate of Buyer stating:

i. That all representations, warranties, and covenants of Buyer set forth in this Agreement and in the other instruments delivered by Buyer are true and correct as of the Closing Date; and

ii. Buyer has, in all material respects, performed and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by Buyer at or prior to the Closing Date;

c. The Promissory Note and Security Agreement;

d. Such other instruments of conveyance, certificates of officers, and other documents as may reasonably be requested by Seller to consummate this Agreement and the transaction contemplated hereby.

15. Conditions Precedent to Obligations of Buyer. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Buyer shall have waived in writing satisfaction of such condition:

a. No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced, and no investigation by any governmental or regulatory authority shall have been commenced, seeking to restrain, enjoin, rescind, prevent or change the transactions contemplated hereby or questioning the validity or legality of any of such transactions or seeking damages in connection with any of such transactions.

b. Seller shall have delivered to Buyer all of the documents required by Section 13.

c. The FCC Consent shall have been obtained and be effective.

16. Conditions Precedent to Obligations of Seller. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions, except to the extent Seller shall have waived in writing satisfaction of such condition:

a. No action, suit or proceeding before any court or any governmental or regulatory authority shall have been commenced, no investigation by any governmental or regulatory authority shall have been commenced, seeking to restrain, enjoin, rescind, prevent or change the transactions contemplated hereby or questioning the validity or legality of any such transactions or seeking damages in connection with any of such transactions.

b. The FCC Consent shall have been obtained and be effective.

c. Buyer shall have delivered to Seller all of the documents required by Section 14.

17. Survival of Covenants, Representations and Warranties. All representations, warranties, covenants, and agreements contained in this Agreement shall survive for a period of twelve (12) months from the Closing Date, except (a) those under Sections 6(a) and 6(b) (Seller Organization and Authority), which shall survive until the expiration of any applicable statute of limitations; (b) those with respect to title to the FCC Licenses, which shall survive indefinitely, and (c) that if within such applicable period the indemnified party gives the indemnifying party written notice of a claim for breach thereof describing in reasonable detail the nature and basis of such claim, then such claim shall survive until the earlier of resolution of such claim or expiration of the applicable statute of limitations.

18. Finders, Consultants and Brokers. The Parties hereto represent and warrant to one another that there has been no finder, broker, or consultant involved in the negotiations leading up to the execution of this Agreement.

19. Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed duly given when given personally or mailed by registered or certified mail, return receipt requested, postage prepaid, or electronically transmitted, or via electronic mail, as follows:

a. If to Seller:

Janet Brown, President
Lake Powell Communications, Inc.
101 Monte Rey Drive
White Rock, NM 87547
Email: janet@kxaz.com

b. If to Buyer:

Vance R. Barbee or Karey Barbee, Managing Members
Southwest Broadcasting, LLC
140 E Deuce of Clubs, STE A
Show Low, AZ 85901
Email: vance@southwestbroadcasting.com

or any such other addresses as the Parties may from time to time designate in writing.

20. Severability. Every provision of this Agreement is intended to be severable. In the event that any term or provision hereof is declared by a court to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the balance of the terms and provisions hereof, which terms and provisions shall remain binding and enforceable, then to the extent possible all of the other provisions shall nonetheless remain in full force and effect.

21. Confidentiality. The Parties agree to use their best efforts to keep confidential any and all information furnished to either of them by a Party in the course of the negotiations and the business, technical, and legal reviews, except such information as may be available to the public or to the other Party from another source not under an obligation of confidentiality. In this regard, the Parties agree to execute and be bound by such written confidentiality agreements as shall be reasonably requested by either Party.

22. Other Documents. The Parties shall execute and deliver on a timely basis all such further and additional documents as shall be convenient, necessary, or desirable to the implementation and consummation of this Agreement.

23. Waiver. No waiver by a Party of any provision of this Agreement shall be considered a waiver of any other provision of any subsequent breach of the same or any other provision, including the time for performance of any such provision. The exercise by a Party of any remedy provided in this Agreement or at law shall not prevent the exercise by that Party of any other remedy provided in this Agreement or at law.

24. Exhibits. All exhibits attached to this Agreement shall be deemed part of this Agreement and incorporated herein, where applicable, as if fully set forth therein.

25. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with the laws of the State of Arizona except for the choice of law rules utilized in that state, and the obligations of the Parties hereto are subject to all federal, state, and local laws and

regulations now or hereafter in force and to the rules, regulations, and policies of the FCC and all other governmental entities or authorities presently or hereafter to be constituted.

26. **Entire Agreement.** This Agreement (including the attached exhibits) shall constitute the full and entire understanding of the Parties with respect to the subject matter hereof, and any prior agreement or understanding concerning the same is hereby terminated and canceled in its entirety and is of no further force and effect.

27. **Binding Effect.** This Agreement is binding upon and shall inure to the benefit of the Parties hereto, their respective agents, representatives, officers, directors, shareholders, affiliates, assigns, heirs, and successors in interest.

28. **Warranty of Signatories.** Each of the persons signing this Agreement on behalf of an entity warrants and represents that he or she has the right power, legal capacity and authority to execute this Agreement on behalf of such entity, without the concurrence or approval of any other person, any entity or any court, and to thereby bind such entity to this Agreement.

29. **Headings.** The headings of the sections of this Agreement are inserted as a matter of convenience and for reference purposes only and in no respect define, limit, or describe the scope of this Agreement or the intent of any section hereof.

30. **Counterparts.** This Agreement may be signed in any number of counterparts with the same effect as if the signature on each such counterpart were on the same instrument. Each fully executed set of counterparts shall be deemed to be an original, and all of the signed counterparts together shall be deemed to be one and the same instrument.

31. **Amendments.** This Agreement may be amended by mutual consent of the Parties, but only by a written instrument duly signed by the Parties to the Agreement.

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

SELLER:
LAKE POWELL COMMUNICATIONS, INC.

BY: 

Janet Brown, President

BUYER:
SOUTHWEST BROADCASTING, LLC

BY: 

Vance R. Barbee, Managing Member

Exhibit 1
FCC Licenses

1. KXAZ 93.3/227

Facility ID# 36340

Community of License: Page, Arizona

FCC File Number: BLH-20170111AAK

Date Granted: 1/13/2017

2. KPGE 1340

Facility ID# 36349

Community of License: Page, Arizona

Date Granted: 2/03/2017

3. K252FG 98.3/252

Facility ID# 141431

Community of License: Page, Arizona

FCC File Number: BLFT-20160915AAF

Date Granted: 9/26/2016

4. K261BX 100.1/261

Facility ID# 40853

Community of License: Page, Arizona

FCC File Number: 0000144304

Date Granted: 5/19/2021

Exhibit 2
Secured Promissory Note

Exhibit 3
Security Agreement

SECURED PROMISSORY NOTE

\$90,000.00

_____, 2023

FOR VALUE RECEIVED, **Southwest Broadcasting, LLC.**, an Arizona limited liability company (hereinafter referred to as "*Maker*"), hereby promises to pay to the order of **Lake Powell Communications, Inc.** (hereinafter referred to as "*Payee*") (Payee or any subsequent holder hereof are hereinafter referred to as "*Holder*"), whose mailing address is 101 Monte Rey Drive, White Rock, New Mexico 87547, or at such other place as Holder may designate to Maker in writing from time to time, the principal sum of Ninety Thousand Dollars (\$ 90,000.00), together with interest at the rate of Four Percent (4.0%). This Note shall be amortized over a period of thirty-six (36) months with monthly payments of principal and interest in the amount shown in the attached Amortization Schedule.

The payment due date for Note payments is the 1st day of each month. Payor may, at its option, at any time, or from time to time, prepay prior to term, the entire principal amount of this Note or such part of the principal amount of this Note, as it may determine, without any penalty, surcharge or fee being imposed on account of such prepayment.

The indebtedness evidenced by this Note and the obligations created hereby are secured by that certain Security Agreement (hereinafter referred to as the "*Security Agreement*") entered into this day between Maker and Payee concerning the broadcast equipment assets and the proceeds of the future sale of broadcast stations KXAZ, KPGE, K252FG and K261BX at Page, Arizona. This Note and the Security Agreement are hereinafter referred to collectively as the "*Loan Documents*", and some of the Loan Documents are to be filed for record on or about the date hereof in the appropriate public records.

Any one of the following occurrences shall constitute an event of default pursuant to this Note (collectively the "*Events of Default*"):

(i) the failure of Maker to make a monthly payment required pursuant to this Note within twenty (20) calendar days of the due date thereof, which time includes the cure period; or

(ii) the failure of Maker to perform or observe any other covenant or agreement required pursuant to this Note, the Security Agreement or any one or more of the Loan Documents, only after the expiration of any applicable grace or cure period; or

(iii) the occurrence of any default in any term or provision of the Loan Documents and the expiration of any applicable grace or cure period; or

(v) the sale or assignment of license of KXAZ, KPGE, K252FG and

K261BX (or any one or more of the foregoing broadcast stations) or all or substantially all of the assets of such broadcast stations, to any person or entity not controlled by Maker or Maker's principals; or

(vi) the expiration or termination of the Maker's authority from the Federal Communications Commission to operate KXAZ, KPGE, K252FG and / or K261BX.

(vii) the death or incapacity of Vance Barbee or Karey Barbee.

In case an Event of Default shall occur and be continuing, including, without limitation, a failure to make any payment provided for herein which failure shall continue for ten (10) days after written notice thereof from Holder to Maker (the "cure period"), the legal holder of this Note may declare the entire debt then remaining unpaid immediately due and payable, with such indebtedness subject to a simple interest at a rate of twelve percent (12%) per annum until paid.

If Maker consummates the sale of the broadcast stations to a non-affiliated entity or person before the end of the term of this Note, as defined above, then the legal holder of this Note may declare the entire debt then remaining unpaid immediately due and payable. (The term "affiliate" shall mean, with respect to any person or entity, any person, corporation or other business entity which directly or indirectly through stock ownership or through any other arrangement either controls, or is controlled by or is under common control with, Maker or any spouse or relative of Maker within the third degree of consanguinity.)

Presentment for payment, demand, protest and notice of demand and dishonor, protest and non-payment and all other notices (except as expressly provided above) are hereby waived by Maker, and all sureties, guarantors, and endorsers hereof. No failure to accelerate the debt evidenced hereby by reason of default hereunder, acceptance of a past due installment, or indulgences granted from time to time shall be construed (i) as a novation of this Note or as a reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Holder thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by the laws of the State of Florida, and Maker hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note or any installment due hereunder, made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part unless Holder agrees otherwise in writing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

This Note shall be construed and enforceable in accordance with the laws of the

State of Arizona. Time is of the essence with respect to all obligations created by this Note. If from any circumstances whatsoever, fulfillment of any provision of this Note or of any other instrument evidencing or securing the indebtedness evidenced hereby, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Note or under any other instrument evidencing or securing the indebtedness evidenced hereby, that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity.

In the event of commencement of suit to enforce payment of this Note, the undersigned, for himself, his heirs, successors and assigns, and his agents, agree to pay such additional sum as attorney's fees as the Court may adjudge reasonable.

As used herein, the terms "Maker" and "Holder" shall be deemed to include their respective heirs, successors, legal representatives and assigns, whether by voluntary action of the parties or by operation of law. In the event that more than one person, firm or entity is a Maker hereunder, then all references to "Maker" shall be deemed to refer equally to each of said persons, firms, or entities, all of whom shall be jointly and severally liable for all of the obligations of Maker hereunder.

IN WITNESS WHEREOF, Maker has caused this Note to be executed under seal by its duly authorized officer on the date first above written.

MAKER:

SOUTHWEST BROADCASTING, LLC

By: _____
Vance R. Barbee
Manager

By: _____
Karey Barbee
Manager

AMORTIZATION SCHEDULE

Month	Interest	Principal	Ending Balance
1	\$300.00	\$2,357.16	\$87,642.84
2	\$292.14	\$2,365.02	\$85,277.83
3	\$284.26	\$2,372.90	\$82,904.93
4	\$276.35	\$2,380.81	\$80,524.12
5	\$268.41	\$2,388.74	\$78,135.37
6	\$260.45	\$2,396.71	\$75,738.67
7	\$252.46	\$2,404.70	\$73,333.97
8	\$244.45	\$2,412.71	\$70,921.26
9	\$236.40	\$2,420.75	\$68,500.50
10	\$228.34	\$2,428.82	\$66,071.68
11	\$220.24	\$2,436.92	\$63,634.76
12	\$212.12	\$2,445.04	\$61,189.72
End of year 1			
13	\$203.97	\$2,453.19	\$58,736.52
14	\$195.79	\$2,461.37	\$56,275.15
15	\$187.58	\$2,469.57	\$53,805.58
16	\$179.35	\$2,477.81	\$51,327.77
17	\$171.09	\$2,486.07	\$48,841.71
18	\$162.81	\$2,494.35	\$46,347.35
19	\$154.49	\$2,502.67	\$43,844.68
20	\$146.15	\$2,511.01	\$41,333.67
21	\$137.78	\$2,519.38	\$38,814.30
22	\$129.38	\$2,527.78	\$36,286.52
23	\$120.96	\$2,536.20	\$33,750.31
24	\$112.50	\$2,544.66	\$31,205.66
End of year 2			
25	\$104.02	\$2,553.14	\$28,652.52
26	\$95.51	\$2,561.65	\$26,090.87
27	\$86.97	\$2,570.19	\$23,520.68
28	\$78.40	\$2,578.76	\$20,941.92
29	\$69.81	\$2,587.35	\$18,354.57
30	\$61.18	\$2,595.98	\$15,758.59
31	\$52.53	\$2,604.63	\$13,153.96

32	\$43.85	\$2,613.31	\$10,540.65
33	\$35.14	\$2,622.02	\$7,918.63
34	\$26.40	\$2,630.76	\$5,287.86
35	\$17.63	\$2,639.53	\$2,648.33
36	\$8.83	\$2,648.33	\$0.00
End of year 3			

SECURITY AGREEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **Southwest Broadcasting, LLC** hereinafter referred to as the "DEBTOR", hereby grants and transfers to **Lake Powell Communications, Inc.**, hereinafter referred to as the "SECURED PARTY", a security interest in the proceeds of the future sale of broadcast stations KXAZ, KPGE, K252FG and K261BX at Page, Arizona, which, together with the associated broadcast equipment assets, is hereinafter referred to as the "COLLATERAL", to secure the payment of Ninety Thousand and 00/100 Dollars (\$ 90,000.00) plus accrued interest, as provided in the Secured Promissory Note (the "Note") of DEBTOR of even date herewith, and any and all other liabilities, indebtedness and obligations of DEBTOR to SECURED PARTY presently existing or hereafter arising, now due or to become due, absolute or contingent, liquidated or unliquidated, direct or indirect, primary or secondary, related or unrelated to the COLLATERAL or proceeds or DEBTOR's acquisition or financing thereof, and any and all full extensions or renewals of such indebtedness and obligations, all of which are hereinafter referred to as the "OBLIGATIONS".

COVENANTS AND WARRANTIES OF DEBTOR

DEBTOR hereby covenants and warrants that:

1. Except for the security interest hereby transferred, DEBTOR is, or, to the extent of the after-acquired property covered, will be, the owner of the COLLATERAL, free from any and all liens, encumbrances, charges or claims of any nature or kind whatsoever; DEBTOR has not done or suffered, nor will he do, anything to prejudice, frustrate, or destroy the SECURED PARTY'S security interest; and, DEBTOR will defend the COLLATERAL and every part thereof against any and all claims and demands of all persons claiming the same or any interest therein, at any time.
2. No Financing Statement, Security Agreement, or other instrument required or permitted to be filed or recorded, covering or affecting any COLLATERAL, is on file or recorded in any public office or place.
3. The COLLATERAL is, or to the extent of the after acquired property covered, will be, used or bought for use primarily for business use.
4. DEBTOR will not remove the COLLATERAL from the State of Arizona without the consent in writing of the SECURED PARTY.
5. DEBTOR will not sell or attempt to sell or otherwise transfer or dispose of the COLLATERAL or any interest therein without the written consent of the SECURED PARTY.

6. DEBTOR shall maintain the COLLATERAL in good condition and shall cause the COLLATERAL to be insured.

7. DEBTOR agrees to pay promptly when due all taxes, assessments, or other charges arising by reason of the use, maintenance or management of the COLLATERAL or any proceeds thereof, and DEBTOR shall pay and perform when due all indebtedness and OBLIGATIONS of DEBTOR under all leases, land contracts, or other agreements under which DEBTOR has possession of any of the land described on the first page hereof, and any mortgage or mortgages to which any of such real estate may be subject.

8. DEBTOR will keep the COLLATERAL in good order and repair, and will not waste or destroy it or any part of it, or use it in violation of any statute or ordinance.

9. At its option, SECURED PARTY may discharge taxes, liens, security interests, or other encumbrances at any time levied or placed upon the COLLATERAL or proceeds, may pay for the maintenance and preservation of the COLLATERAL, may procure and/or pay for insurance on the COLLATERAL, and may pay any indebtedness or other OBLIGATIONS of DEBTOR with regard to said COLLATERAL.

10. The COLLATERAL will not be attached or fixed in such a manner that it will become a fixture.

11. DEBTOR is a for-profit company duly organized and validly existing and in good standing under the laws of the State of Arizona. DEBTOR has the full and unrestricted power and authority to own, lease and operate the COLLATERAL, to carry on its business as now conducted, and to enter into and perform the terms of this Agreement.

12. The execution, delivery and performance of this Agreement and the performance of the obligations provided for herein have been duly and validly authorized by all necessary actions on the part of DEBTOR. This Agreement constitutes a legal, valid and binding obligation and agreement of DEBTOR, enforceable in accordance with its terms.

RIGHTS AND REMEDIES OF PARTIES

13. Until Default in the payment of the Note secured hereby, or in any other provision hereof or obligations to the SECURED PARTY Default, the DEBTOR may, in the ordinary course of his business process, manufacture, sell, lease and otherwise use in any lawful manner the Inventory, and may collect, hold and use all proceeds from the disposition thereof, and may grant

any rebate, refund or adjustment, and accept the return of goods and dispose of such returned goods in connection therewith; provided, however, that upon default and upon receiving written notice from the SECURED PARTY to do so, the DEBTOR will forthwith, upon receipt, assign, endorse and deliver to the SECURED PARTY, in the form received, all proceeds, including cash, checks, drafts, accounts receivable, contract rights, leases notes and other OBLIGATIONS arising from the sale, lease or other disposition of the Inventory, and the SECURED PARTY may notify the obligors on any of such proceeds of such assignment to the SECURED PARTY, and the SECURED PARTY shall have full power and authority to collect, endorse, compromise, sell or otherwise deal with such proceeds in its own name, or in the name of the DEBTOR, and such proceeds may be applied forthwith by the SECURED PARTY to the payment of the Indebtedness secured hereby on the SECURED PARTY may determine.

14. Upon the occurrence of a Default, and in addition to all of the rights, remedies and powers set forth in this agreement, SECURED PARTY shall have all of the rights, powers and remedies of a secured party under the Uniform Commercial Code ("UCC") or any other applicable law, including without limitation, the right to sell, lease or otherwise dispose of any or all of the COLLATERAL and to collect all amounts payable thereunder. SECURED PARTY will send to DEBTOR reasonable notice of the time and place of any public sale or reasonable notice of the time after which any private sale or any other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to DEBTOR at least five (5) days before the time of the sale or disposition of the COLLATERAL. After deducting all expenses incurred by SECURED PARTY in protecting or enforcing its rights in the COLLATERAL, the residue of any proceeds of collection or sale of the COLLATERAL shall be applied to the payment of the Obligations, and any excess shall be returned to DEBTOR, or any other person entitled thereto, and DEBTOR shall remain liable for any deficiency. The SECURED PARTY may exercise its rights with respect to the COLLATERAL without resorting or regard to any other COLLATERAL or sources of reimbursement for the Obligations.

15. Upon demand by SECURED PARTY, after the occurrence of Default hereunder, DEBTOR will immediately deliver to SECURED PARTY possession of all proceeds of the COLLATERAL, all original evidences of the COLLATERAL, including, without limitation, all notes or other instruments or contracts for the payment of money, appropriately endorsed to SECURED PARTY's order and, regardless of the form of such endorsement, DEBTOR hereby waives presentment, demand, notice of dishonor, protest and notice of protest and all other notices with respect thereto; and DEBTOR hereby appoints SECURED PARTY as its lawful attorney-in-fact and agent, with full power of substitution, to make such endorsement on behalf of and in the name of DEBTOR. Until so delivered, DEBTOR shall hold the same separate and apart and upon an express trust for SECURED PARTY.

16. (This Section intentionally blank.)

17. If, at any time, SECURED PARTY in good faith, supported by verifiable information, believes that the prospect of payment or performance of any of the indebtedness is impaired by insufficiency of the value of the COLLATERAL or by any other condition or event, SECURED PARTY may require DEBTOR to furnish such additional security as SECURED PARTY deems sufficient, and DEBTOR shall have the obligation to do so.

18. In the event DEBTOR defaults in the payment of the Note or obligations to the SECURED PARTY secured hereby, or in any other provisions hereof, or if a proceeding in bankruptcy, receivership or insolvency is instituted by or against the DEBTOR, then the SECURED PARTY may declare the full amount of the Indebtedness secured hereby immediately due and payable, without notice or demand, and shall have all of the remedies of a SECURED PARTY under the Arizona Uniform Commercial Code and any other applicable laws.

WAIVERS

19. To the extent permitted by law, DEBTOR expressly waives all rights to any notice of hearing and to any hearing prior to the taking of any action by SECURED PARTY under and pursuant to this Agreement, including without limitation, the taking of possession by SECURED PARTY of the COLLATERAL by court process or otherwise.

20. DEBTOR waives demand, notice, protest, notice of acceptance of this Agreement, notice of credit extended, notice of COLLATERAL received or delivered or other action taken in reliance hereon and all other demands and notices of any description except as herein provided. With respect both to any of the Obligations and the COLLATERAL, DEBTOR assents to any extension or postponement of the time of payment or any other indulgence, to any substitution, exchange or release of COLLATERAL, to the addition or release of any party or person primarily or secondarily liable, to the acceptance of partial payments thereon and to the settlement, compromise or adjustment thereof, all in such time or times SECURED PARTY may deem advisable, and DEBTOR agrees that SECURED PARTY may so act without regard to any requests or demands by DEBTOR and without thereby incurring any liability to DEBTOR or releasing DEBTOR hereunder.

21. DEBTOR hereby waives promptness by SECURED PARTY in making any demand upon DEBTOR, and agrees that no delay or omission by SECURED PARTY in exercising any of its rights, powers or remedies hereunder or under any other agreement or instrument between DEBTOR and SECURED PARTY or issued to SECURED PARTY by DEBTOR shall be deemed to constitute a waiver thereof. All rights, powers and remedies of SECURED PARTY hereunder

shall be cumulative and may be exercised singly or concurrently.

22. SECURED PARTY shall not be required to marshal any present or future security (including, but not limited to, the COLLATERAL granted hereunder), or guarantees of, the Obligations or any of them, or to resort to each security or guarantees in any particular order.

GENERAL

23. This Security Agreement shall become fully effective when signed by the DEBTOR.

24. No delay on the part of SECURED PARTY in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by SECURED PARTY of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy.

25. All rights of the SECURED PARTY hereunder shall inure to the benefit of his heirs, next of kin, personal representatives, successors and assigns, and the OBLIGATIONS of DEBTOR shall bind and be enforceable against his heirs, next of kin, personal representatives, successors and assigns.

26. This Security Agreement may be executed in counterparts.

27. DEBTOR agrees to execute all UCC filings and other documentation reasonably requested by SECURED PARTY to secure its interests hereunder.

STATE LAW

28. This Security Agreement shall be construed in accordance with the laws of the State of Arizona, and all terms used herein, unless otherwise defined or the context otherwise requires, shall have the meanings given to them by the Arizona Uniform Commercial Code.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement as of the ____ day of _____, 2024.

WITNESS:

DEBTOR:

SOUTHWEST BROADCASTING, LLC

By: _____

Vance R. Barbee
Manager

By: _____

Karey Barbee
Manager

ACCEPTED BY SECURED PARTY:

LAKE POWELL COMMUNICATIONS, INC.

By: _____

Janet Brown
President